

Pt. 1955, Subpt. B, Exh. B

7 CFR Ch. XVIII (1–1–07 Edition)

**EXHIBIT A TO SUBPART B OF PART 1955—
MEMORANDUM OF UNDERSTANDING
BETWEEN THE FEDERAL EMERGENCY
MANAGEMENT AGENCY AND THE
FARMERS HOME ADMINISTRATION OR
ITS SUCCESSOR AGENCY UNDER PUB-
LIC LAW 103–354**

EDITORIAL NOTE: Exhibit A is not published in the Code of Federal Regulations. It is available in any FmHA or its successor agency under Public Law 103–354 County Office.

**EXHIBIT B TO SUBPART B OF PART 1955—
NOTIFICATION OF TRIBE OF AVAIL-
ABILITY OF FARM PROPERTY FOR
PURCHASE**

(To Be Used By Farm Service Agency To
Notify Tribe)

From: County official
To: (Name of Tribe and address)
Subject: Availability of Farm Property for
Purchase

[To be Used within 90 days of acquisition]
Recently the Farm Service Agency (FSA) acquired title to _____ acres of farm real property located within the boundaries of your Reservation. The previous owner of this property was _____. The property is available for purchase by persons who are members of your tribe, an Indian Corporate entity, or the tribe itself. Our regulations provide for those three distinct priority categories which may be eligible; however, you may revise the order of the priority categories and may restrict the eligibility to one or any combination of categories. Following is a more detailed description of these categories:

1. Persons who are members of your Tribe. Individuals so selected must be able to meet the eligibility criteria for the purchase of Government inventory property and be able to carry on a family farming operation. Those persons not eligible for FSA's regular programs may also purchase this property as a Non-Program loan on ineligible rates and terms.

2. Indian corporate entities. You may restrict eligible Indian corporate entities to those authorized by your Tribe to purchase lands within the boundaries of your Reservation. These entities also must meet the basic eligibility criteria established for the type of assistance granted.

3. The Tribe itself is also considered eligible to exercise their right to purchase the property. If available, Indian Land Acquisition funds may be used or the property financed as a Non-Program loan on ineligible rates and terms.

We are requesting that you notify the local FSA county office of your selection or intentions within 45 days of receipt of this letter,

regarding the purchase of this real estate. If you have questions regarding eligibility for any of the groups mentioned above, please contact our office. If the Tribe wishes to purchase the property, but is unable to do so at this time, contact with the FSA county office should be made.

Sincerely,

County official

[62 FR 44399, Aug. 21, 1997]

**EXHIBIT C TO SUBPART B OF PART 1955—
COOPERATIVE AGREEMENT (EXAMPLE)**

EDITORIAL NOTE: Exhibit C is not published in the Code of Federal Regulations. It is available in any FmHA or its successor agency under Public Law 103–354 County Office.

**EXHIBIT D TO SUBPART B OF PART 1955—
FACT SHEET—THE FEDERAL INTER-
AGENCY TASK FORCE ON FOOD AND
SHELTER FOR THE HOMELESS**

EDITORIAL NOTE: Exhibit D is not published in the Code of Federal Regulations. It is available in any FmHA or its successor agency under Public Law 103–354 County Office.

**Subpart C—Disposal of Inventory
Property**

INTRODUCTION

§ 1955.101 Purpose.

This subpart delegates program authority and prescribes policies and procedures for the sale of inventory property including real estate, related real estate rights and chattels. It also covers the granting of easements and rights-of-way on inventory property. Credit sales of inventory property to ineligible (nonprogram (NP)) purchasers will be handled in accordance with subpart J of part 1951 of this chapter, except Community and Business Programs (C&BP) and Multi-Family Housing (MFH) which will be handled in accordance with this subpart. In addition, credit sales of Single Family Housing (SFH) properties converted to MFH will be handled in accordance with this subpart. This subpart does not apply to Single Family Housing (SFH) inventory property or to the

Rural Rental Housing, Rural Cooperative Housing, and Farm Labor Housing programs.

[50 FR 23904, June 7, 1985, as amended at 58 FR 52652, Oct. 12, 1993; 61 FR 59778, Nov. 22, 1996; 69 FR 69106, Nov. 26, 2004]

§ 1955.102 Policy.

The terms “nonprogram (NP)” and “ineligible” may be used interchangeably throughout this subpart, but are identical in their meaning. Sales efforts will be initiated as soon as property is acquired in order to effect sale at the earliest practicable time. When a property is of a nature that will enable a qualified applicant for one of Farmers Home Administration or its successor agency under Public Law 103-354s (FmHA or its successor agency under Public Law 103-354's) loan programs to meet the objectives of that loan program, preference will be given to the program applicants. Sales are authorized for program purposes which differ from the purposes of the loan the property formerly secured, and property which secured more than one type loan may be sold under the program most appropriate for the specific property and community needs as long as the price is not diminished. Examples are: (RH) property; detached Labor Housing or Rural Rental Housing units may be sold as SFH units; or SFH units may be sold as a Rural Rental Housing project. All such properties and applicants must meet the requirements for the loan program under which the sale is proposed.

[53 FR 35776, Sept. 14, 1988, as amended at 58 FR 52652, Oct. 12, 1993; 62 FR 44399, Aug. 21, 1997]

§ 1955.103 Definitions.

As used in this subpart, the following apply:

Approval official. The FmHA or its successor agency under Public Law 103-354 official having loan and grant approval authority authorized under Subpart A of Part 1901 of this chapter.

Auction sale. A public sale in which property is sold to the highest bidder in open verbal competition.

Beginning farmer or rancher. A beginning farmer or rancher is an individual or entity who:

(1) Is an eligible applicant for FO loan assistance in accordance with § 1943.12 of subpart A of part 1943 of this chapter or § 1980.180 of subpart B of part 1980 of this chapter.

(2) Has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 years. This requirement applies to all members of an entity.

(3) Will materially and substantially participate in the operation of the farm or ranch.

(i) In the case of a loan made to an individual, individually or with the immediate family, material and substantial participation requires that the individual provide substantial day-to-day labor and management of the farm or ranch, consistent with the practices in the county or State where the farm is located.

(ii) In the case of a loan made to an entity, all members must materially and substantially participate in the operation of the farm or ranch. Material and substantial participation requires that the individual provides some amount of the management, or labor and management necessary for day-to-day activities, such that if the individual did not provide these inputs, operation of the farm or ranch would be seriously impaired.

(4) Agrees to participate in any loan assessment, borrower training, and financial management programs required by FmHA or its successor agency under Public Law 103-354 regulations.

(5) Does not own real farm or ranch property or who, directly or through interests in family farm entities, owns real farm or ranch property, the aggregate acreage of which does not exceed 30 percent of the average farm or ranch acreage of the farms or ranches in the county where the property is located. If the farm is located in more than one county, the average farm acreage of the county where the applicant's residence is located will be used in the calculation. If the applicant's residence is not located on the farm or if the applicant is an entity, the average farm acreage of the county where the major portion of the farm is located will be used. The average county farm or ranch acreage will be determined from